

**Department of Alcohol and Drug Programs (ADP)**  
**ALLOCATION METHODOLOGY:**  
**CURRENT AND HISTORICAL PRACTICES**  
**FISCAL YEAR (FY) 2002-03**  
**ADDENDUM**

**PART I - OVERVIEW**

The FY 2002-03 State General Fund (SGF) Ongoing appropriation for non-Drug Medi-Cal (DMC) Services was reduced by \$7.46 million from the FY 2001-02 Budget Act Allocation. This reduction was applied according to the Standard Reduction Methodology described in *Supplemental Report to the California State Legislature, February 1, 1998* “. . . reductions will be distributed proportionate to the total program allocation base of each non-Minimum Base Allocation (MBA) county until the reduction equals five percent statewide, once losses exceed five percent and there are not sufficient backfill revenues to decrease the loss to five percent, then all counties including the MBA counties shall participate proportionately in the remaining portion of the reduction.” In addition, there was a one-time SGF reduction of \$518,077 to repay the federal government for over expenditures of the Substance Abuse Prevention and Treatment (SAPT) Block Grant in previous fiscal years. This reduction was offset on a dollar-for-dollar basis with a one-time increase of SAPT Discretionary funds.

The FY 2002-03 SGF appropriation for non-DMC Perinatal Services was reduced by \$2.5 million from the FY 2001-02 Budget Act Allocation. The Governor's FY 2002-03 Preliminary Allocation applied this reduction to Perinatal SGF and Women and Children's Residential Treatment Services (WCRTS) programs on a 75 percent-25 percent basis, respectively. Counties that receive both Perinatal SGF and WCRTS funds were given the option as to which program they applied the reduction. However, in the FY 2002-03 Budget Act, the Legislature limited the reduction to the WCRTS programs to \$257,200 by setting a floor of \$6.408 million for these programs. The remaining \$2,242,800 Perinatal SGF reduction was applied to non-DMC SGF Perinatal funds according to the methodology described in *Supplemental Report to the California State Legislature, February 1, 1998*. Additionally, in the FY 2002-03 Budget Act, the Legislature earmarked \$1.5 million in SAPT Discretionary funds to offset the non-DMC SGF Perinatal reduction. Because the offset lowered the reduction below five percent of the statewide allocation, MBA counties did not participate in the Perinatal SGF reduction.

The Federal Fiscal Year (FFY) 2003 SAPT Block Grant award included an increase of \$1.3 million. However, due to the late signing of the federal budget, the ADP did not receive the budget authority to allocate these funds in FY 2002-03. The FFY 2003 SAPT Block Grant increase will be allocated with the FY 2003-04 Budget Act Allocation.

Starting with the FY 2002-03 Budget Act Allocation, Safe and Drug Free Schools and Communities funds are no longer included in the Negotiated Net Amount (NNA)

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contract. These funds have been distributed by ADP's Prevention Services Division through a competitive grant application process.

**PART II - STATE GENERAL FUNDS**

**SGF DMC- \$44,822,527**

At the beginning of FY 2002-03, \$46,811,000 was appropriated for Regular DMC services. ADP allocated \$44,822,527 to the counties. Funds were allocated to DMC counties based on the final FY 2001-02 DMC contract amounts in each county. The amounts included final contract amounts held by counties and any direct DMC contracts within the counties. The remainder was retained by ADP to allow for adjustments throughout the year. As of June 30, 2003, the budget authority for FY 2002-03 was increased to \$47,843,000 based on caseload estimates. The increase reflects a technical correction in DMC caseload estimate methodology. Overall Regular DMC costs are also expected to increase due to higher average costs. The increased cost in Regular DMC will be funded by transferring unencumbered funds from the Perinatal DMC program.

From July 1, 2002, through September 30, 2002, the Federal Financial Participation (FFP) rate of the DMC program was 51.40 percent. The FFP rate decreased to 50.00 percent for the period of October 1, 2002, through March 31, 2003, resulting in a corresponding increase in the SGF rate. The FFP rate increased to 54.35 percent for the period of April 1, 2003, through June 30, 2003, resulting in a corresponding decrease in the SGF rate. The blended FFP rate for FY 2002-03 was 51.44 percent.

**SGF Ongoing- \$16,749,923**

ADP allocated \$16,749,923 for SGF Ongoing purposes in FY 2002-03. The FY 2002-03 Budget Act included a reduction of \$7.46 million to SGF Ongoing funds. In addition, there was a one-time reduction of \$518,077 of SGF Ongoing funds.

The \$7.46 million reduction was applied proportionately to the total allocation base of each non-MBA county until the reduction equaled five percent of the program's statewide allocation; then all counties, including the MBA counties, participated in funding reductions on a proportionate basis above five percent. Because this is a permanent reduction, the new SGF Ongoing Statewide Base Allocation is \$17,268,000.

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The additional one-time reduction of \$518,077 to SGF Ongoing funds was used to repay an over expenditure of SAPT Block Grant funds in prior fiscal years. This reduction was offset on a dollar-for-dollar basis using a one-time SAPT Discretionary increase from the FFY 2002 SAPT award. Because this was a one-time reduction, the SGF Ongoing base for future years is not affected.

**Perinatal SGF DMC- \$2,623,204**

At the beginning of FY 2002-03, \$3,098,000 was appropriated for the provision of Perinatal SGF DMC services. Of this amount, ADP allocated \$2,181,663 to the counties. Funds were allocated to Perinatal DMC counties based on the final FY 2001-02 contract amounts in each county. The amounts included final contract amounts held by counties and any direct DMC contracts within the counties. The remainder was retained by ADP to allow for adjustments throughout the year. As of June 30, 2003, the budget authority for FY 2002-03 was reduced to \$2,118,000 based on caseload estimates. The difference in Perinatal DMC program funds will be transferred to fund the increased need for Regular DMC services.

**Perinatal SGF Ongoing- \$17,049,000**

ADP allocated \$17,049,000 for the statewide Perinatal SGF to participating counties. The FY 2002-03 Budget Act included a \$2.5 million reduction in SGF Perinatal funding. Of this amount, \$2,242,800 was directed to reducing the SGF Ongoing Perinatal allocation. The reduction was applied using the methodology described in *Supplemental Report to the California State Legislature, February 1, 1998*. The Legislature earmarked \$1,500,000 in SAPT Discretionary funds to offset the reduction in Perinatal SGF. Since the reduction did not exceed five percent of the program's statewide allocation, MBA counties did not participate in the reduction.

At Placer County's request, their SGF Perinatal allocation was reduced by an additional \$181,602 on a one-time basis.

**WCRTS - \$6,408,000**

ADP allocated \$6,408,000 to the seven counties receiving WCRTS funds. The Legislature limited the amount of the Perinatal SGF reduction that could be applied to the WCRTS Programs in the FY 2002-03 Budget Act. The reduction was limited to \$257,200 for the WCRTS program and was applied to each program in proportion to its total program amount.

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The WCRTS funds are exempt from the ten percent county match requirement. This exemption applies only to state funding provided to replace the expired federal demonstration grants and not to state funds for any subsequent program expansion.

**PART III - REIMBURSEMENTS**

**Parolee Services Network- \$10,700,092**

The California Department of Corrections (CDC) continued to make funding available for the Parolee Services Network. Allocations were determined by CDC based on funding authority, utilization levels, and consideration of relative parolee populations in the covered counties (Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma).

**PART IV - SAPT BLOCK GRANT**

**SAPT Discretionary FFY 2002 Award One-Time Increase- \$1,900,000**

The FFY 2002 SAPT increase included \$1.9 million that was originally retained by ADP for the California Outcomes Measurement Systems (CalOMS) Project. These funds were reallocated to the counties in FY 2002-03 as a one-time FFY 2002 SAPT Discretionary increase. ADP retained \$1.9 million from the FFY 2003 SAPT award to fund the CalOMS project. These funds were distributed using the standard allocation methodology; each county received \$2,500 per \$1 million increase with the remainder allocated per capita. This redirection was supported by the County Alcohol and Drug Program Administrators Association of California (CADPAAC).

**SAPT Discretionary FFY 2002 Award One-Time Increase- \$518,077**

The FFY 2002 SAPT increase provided an additional one-time SAPT Discretionary increase of \$518,077. These funds were allocated on a dollar-for-dollar basis to offset the one-time SGF reduction in FY 2002-03. This one-time redirection was supported by CADPAAC.

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**SAPT Discretionary FFY 2003 Award-\$131,200,339**

The FFY 2003 SAPT Block Grant Discretionary award of \$131,200,339 was allocated at the FY 2001-02 historical level. Effective with the FFY 2001 award, the separate set-asides for alcohol (35 percent) and other drugs (35 percent) services were eliminated.

In FY 2002-03, SAPT Discretionary funds were reduced on a one-time basis by \$300,000 to provide one-time funding for 13 counties participating in the California Treatment Outcome Pilot Project. The reduction was applied proportionately to each county's share of the statewide SAPT Discretionary allocation. This one-time reduction was supported by CADPAAC.

**SAPT Prevention Set-Aside FFY 2003 Award- \$46,959,262**

In FY 2002-03, SAPT Prevention Set-Aside funds were reduced on a one-time basis by \$500,000 to fund the Technical Assistance for Prevention Outcomes and Measurements contracts. The reduction was applied proportionately to each county's share of the statewide SAPT Prevention Set-Aside allocation. This one-time reduction was supported by CADPAAC.

**Friday Night Live-SAPT Prevention Set-Aside FFY 2003 Award- \$540,000**

The Friday Night Live (FNL) program continued at the historical level. A total of \$540,000 was allocated to the counties for the FNL program. The FNL program is funded by the SAPT Prevention Set-Aside.

**Club Live- SAPT Prevention Set-Aside FFY 2003 Award- \$534,000**

Funding for the Club Live (CL) program continued at the historical level. A total of \$534,000 was allocated to fund CL programs at the county level. The CL program is funded by the SAPT Prevention Set-Aside.

**SAPT HIV Set-Aside FFY 2003 Award- \$12,528,165**

ADP allocated \$12,528,165 in HIV Set-Aside funds at the historical level.

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**SAPT Perinatal Set-Aside FFY 2003 Award- \$17,054,000**

A total of \$17,054,000 was allocated for the FFY 2003 SAPT Perinatal Set-Aside in FY 2002-03. The base amount of \$15,554,000 was allocated to all participating counties at the FY 2001-02 historical level. In the FY 2002-03 Budget Act, the Legislature designated \$1.5 million in SAPT Discretionary funds for perinatal services as an ongoing partial offset for the SGF Perinatal reduction. These additional SAPT funds were distributed proportionately to each county's Perinatal SGF Ongoing (excluding WCRTS) reduction.

Alpine County does not participate in the Perinatal Program. Their portion of the Perinatal Set-Aside was allocated proportionately to the remaining counties.

**SAPT Perinatal Set-Aside FFY 2002 Award One-Time Increase- \$181,602**

A total of \$181,602 was allocated to Placer County on a one-time basis.

**Female Offender Treatment Services FFY 2003 Award- \$644,640**

The FFY 2003 Female Offender Treatment Services award of \$644,640 was allocated to Los Angeles, Orange, Riverside, and San Bernardino counties at the historical level (FY 1991-92).

**Special Projects/Media Campaigns FFY 2003 Award- \$288,000**

Funds for special projects were allocated to: Alameda County for the African American Women's Media Campaign (\$27,500); Los Angeles County for Alcohol Center for Women (\$95,000), Hispanic Women's Media Campaign, (\$65,000); African American Women's Media Campaign (\$27,500); Modoc County for the Indian Health Project (\$25,000); and Tulare County for the Tule River Tribal Council (\$48,000).

**SAPT Adolescent and Youth Treatment Program FFY 2003 Award- \$7,416,417**

The SAPT Adolescent Treatment program and the SAPT Youth Treatment program were combined at the FY 2002-03 Budget Act Allocation. The combined total of \$7,416,417 was awarded to participating counties at the historical level.

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**Youth Development and Crime Prevention Initiative FFY 2003 Award- \$975,000**

The California Health and Human Services Agency, ADP, Department of Mental Health, and the Employment Development Department collaborated to initiate this program in September 2000. The participating counties were selected through a Solicitation for Proposals process to demonstrate the Youth Development and Crime Prevention (YDCP) Initiative. In FY 2002-03, YDCP Initiative funds were allocated by ADP through the NNA allocation process. Funds were distributed at the FY 2001-02 historical level to the seven participating counties (Butte, Mendocino, Sacramento, San Francisco, Santa Cruz, Solano, and Stanislaus).

**SAPT Drug Testing- Substance Abuse Treatment and Testing Accountability Act**  
**FFY 2002 Award- \$8,630,000**

ADP allocated \$8,630,000 from the FFY 2002 SAPT Award to fund an additional year of drug testing for Substance Abuse and Crime Prevention Act clients. These funds are available from July 1, 2002, through June 30, 2003, and can be used for drug testing or other services permitted under the SAPT Block Grant. These funds include an increase of \$306,000. The base amounts were allocated at the FY 2001-02 historical level. The increase was allocated using the following methodology of indicators and weighted amounts:

- 50 percent Per Capita using the Department of Finance population estimates from January 1, 2001
- 25 percent using the California Alcohol and Drug Data System Treatment Caseload on November 1, 2001
- 25 percent Drug Arrest data for 2000

A ratio was calculated by dividing the weighted indicators for each county into the weighted total. Each county's ratio was then multiplied by the total available funds to determine each county's share.

Alpine County does not participate in the drug testing program. Their portion of drug testing funds was redistributed to the remaining counties with the FFY 2002 increase.

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**PART V - SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (SDFSC)**

**SDFSC Community-Based Prevention**

For FY 2002-03, SDFSC funds were not included in the allocation or in the NNA contract. These funds are now distributed by ADP's Prevention Services Division through a competitive grant application process.



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**GLOSSARY AND DEFINITIONS OF ACRONYMS**

ADP	Department of Alcohol and Drug Programs
AIDS	Acquired Immune Deficiency Syndrome
AOD	Alcohol and Other Drugs
CADPAAC	County Alcohol and Drug Program Administrators Association of California
CalOMS	California Outcomes Measurement System
CalWORKs	California Work Opportunity and Responsibility to Kids
CDC	California Department of Corrections
CL	Club Live
CSAT	Center of Substance Abuse Treatment
DEPARTMENT	Department of Alcohol and Drug Programs
DMC	Drug Medi-Cal
DAC	Director's Advisory Council
FFP	Federal Financial Participation
FFY	Federal Fiscal Year
FNL	Friday Night Live
FY	Fiscal Year
HIV	Human Immunodeficiency Virus
IDU	Injection Drug User
LEVELS	Dollar Amount Received From Previous Year
MBA	Minimum Base Allocation
MOE	Maintenance Of Effort
NEW FUNDS	Funds Not Currently Allocated to Counties and/or Returned to State for Redistribution
NNA	Negotiated Net Amount
SAPT	Substance Abuse Prevention and Treatment
SDFSC	Safe and Drug Free Schools and Communities
SGF	State General Fund
TANF	Temporary Assistance for Needy Families
WCRTS	Women and Children's Residential Treatment Services
YDCP	Youth Development and Crime Prevention